

## **Taxpayer Advocate Service (TAS) Success Stories**

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### **One Digit Makes the Difference**

When the Internal Revenue Service (IRS) placed a levy on a taxpayer's Social Security income and U.S. Government Pension, the taxpayer was forced to borrow money from family and friends to meet basic living expenses. While the IRS insisted the taxpayer owed employment taxes on \$100,000 of wages paid to employees of his small paint store, the taxpayer's representative communicated to the IRS that the taxpayer was the only employee, and that he had never employed anyone else. After several unsuccessful attempts to resolve the problem with the IRS, the taxpayer's representative contacted the Taxpayer Advocate Service (TAS).

After investigating the situation, the TAS Case Advocate determined the tax was correct but was being assessed against the wrong taxpayer. In reality, the wages belonged to another business that had entered its Employer Identification Number (EIN) incorrectly—just one digit off. With the assistance of the Case Advocate, the two business accounts were corrected, an erroneously filed Notice of Federal Tax Lien was removed, both levies were released and a manual refund was issued to return all the levied funds to the paint store owner.

**Better Late Than Never**

While sorting through her deceased husband's belongings, a widow discovered five tax refund checks from the 1980s that had never been cashed. When she contacted the Internal Revenue Service (IRS) and requested the checks be reissued in her name, she was told the checks were too old and her request could not be fulfilled. Looking for help, the widow contacted her Congressional representative's staff, who also doubted the checks could be reissued. However, before dismissing the case, the representative contacted the Taxpayer Advocate Service (TAS).

To resolve the issue, the TAS Case Advocate worked with the IRS to retrieve old microfilm records from the U.S. Department of the Treasury. Working closely with the Congressional office, TAS worked diligently to ensure all refunds were reissued. The Congressional office was astounded TAS was able to reissue the checks and the taxpayer was thrilled!

### **Cancer Patient Receives Refund of Erroneous Levy Proceeds**

After being diagnosed with cancer, a taxpayer filed four years of delinquent returns to get his affairs in order with the Internal Revenue Service (IRS). Unbeknownst to the taxpayer, one of these four years delinquent taxes had been paid in full due to a levy placed on the taxpayer's wages by the IRS. Because of the lapse in time, the IRS told the taxpayer he had waited too long to request a refund, and could not receive a refund check.

After investigating the case, the Taxpayer Advocate Service (TAS) found that although the IRS had released the tax lien, they failed to release the levy on the taxpayer's wages, and had not made any attempt to contact the taxpayer regarding his large credit balance! Working with the taxpayer, TAS was able to get the IRS to refund the long overdue credit—with interest—which enabled him to help pay for necessary surgery and assisted living expenses.

**Stolen Identity Case**

When a young couple was billed for income taxes resulting from a 2002 Internal Revenue Service (IRS) assessment under the husband's social security number, they were shocked. Because the taxpayers did not receive taxable income in 2002, they had not filed a tax return. When the taxpayers contacted the IRS, they were unable to secure an explanation of the assessment and were advised that they had unreported income in subsequent years as well. According to the IRS, income in excess of \$100,000 was not included on their 2003, 2004 and 2005 tax returns.

After contacting the Taxpayer Advocate Service (TAS), the Case Advocate established that the taxpayers had not earned the income in question. In fact, it was earned by nine other individuals who had been using the husband's identity since 2000. After investigation, the individuals committing fraudulent activity were identified and the accounts were sorted out.

**Excessive Levy on Social Security Benefits**

Due to her financial situation, a disabled taxpayer's balance due was determined to be uncollectible and the Internal Revenue Service (IRS) placed a levy on her Social Security benefits. While the first two levy payments paid the balance due, they also left her without money for necessary medications or basic living expenses. When she contacted the Social Security Administration, she was told the levy would stand for an additional three months.

After investigating the case, the Taxpayer Advocate Service (TAS) stopped the levy and was able to arrange a refund for over \$1,000 in excess levy payments. This refund enabled the taxpayer to pay over due bills, purchase medication and meet living expenses.

### **TAS Helps Terminally Ill Taxpayer**

When the husband was diagnosed with a terminal illness and could no longer work, a couple was forced to default on an installment agreement. After their Offer in Compromise (OIC) was rejected, the taxpayers turned to the Taxpayer Advocate Service (TAS) for help.

To resolve the issue, the taxpayers attempted to renegotiate their monthly payments based on their actual expenses in a high cost of living area. The Internal Revenue Service (IRS) would not allow these costs and demanded an unrealistic payment based on national standards. Working on the taxpayers' behalf, TAS stepped in and successfully negotiated with the IRS to release the levy. Thanks to TAS, the taxpayers are now making a lower payment and are able to meet necessary living and medical expenses.

### **TAS Helps Church Day Care Avoid Levy at Christmas**

The Taxpayer Advocate Service (TAS) helped a church day care center in a low-income neighborhood avoid seizure and levy action. Because the center defaulted on a payment agreement, the IRS levied county support funds for the center, making it impossible for the center to pay its employees. The center had defaulted on these payments because the county failed to make two sizable monthly support payments. The county agency reported they had not forwarded the payments because the center had not renewed their application to operate.

To resolve the issue, the Taxpayer Advocate Service (TAS) intervened and redirected the request to the appropriate county employee on Friday, December 23. After searching, the county employee discovered the day care center's timely filed application to operate, which had been misplaced at the county office. The county immediately processed the application and paid the center. Working with the IRS, TAS was able to ensure the levy was released and determine a reasonable payment plan. Thanks to TAS' help, center employees' Christmas paychecks were honored.

### **TAS Helps Family of U.S. Soldier Receive Medical Aid**

A U.S. soldier was stationed in Kuwait in wartime, far from his wife and infant son in Ecuador. The soldier needed to secure quick medical treatment for the baby, who was suffering from life-threatening health problems treatable only in the United States. The U.S. Army was willing to provide the necessary healthcare, but both the wife and son needed visas to enter and remain in the United States.

To process the visas, the State Department required signed, completed paper copies of the soldier's last three tax returns. Stationed overseas, the soldier had no access to these critical documents, and it would take a month or more to get copies from IRS, a month the sick child probably didn't have. The local TAS office swiftly assembled a team comprised of a case advocate and other TAS employees who worked non-stop to round up computerized versions of the needed tax returns, obtain powers-of-attorney for both the Army and State Department, and issue a letter certifying the returns' authenticity. In a matter of days, the State Department accepted the computerized returns and issued the Visas without delay, allowing the soldier's son to get the medical treatment he desperately needed. "It felt really good" to help, said one of the TAS employees who worked on the case. "We were able to work around set procedures. We got some people to work outside the box."

### **TAS Helps Small Business Avoid Asset Seizure**

Due to a tax-filing error, a small U.S. oil-related business was in danger of losing its Siberian assets to the Russian government. The company contacted its member of Congress, who immediately called TAS.

The TAS case advocate learned the business had incorrectly filed a required Russian tax form to the wrong IRS Campus. As a result, the company had not received the required "stamp" verifying its U.S. taxes were current, and had seven days to provide this verification or lose millions of dollars in assets.

On the taxpayer's behalf, TAS contacted the Russian embassy in Washington, D.C. and Russian consular offices in three different U.S. cities but none of them had the required Russian form. Finally, the TAS case advocate contacted an international accounting firm which overnighted the form to the case advocate who overnighted it to the business owner and then took care of providing notarization, a cover letter declaring the completed form's authenticity with appropriate seals and stamps acceptable to the Russian government. The result: the Russian government's deadline is met, the U.S. company keeps its assets and prevents the loss of millions of dollars.

### **TAS Advocate Assists Fraud Victim with Tax-Due Burden**

When a woman suffered a debilitating stroke that left her speech-impaired and incapacitated, she had no idea her financial well being was also in jeopardy. While she was still recuperating and in a vulnerable state, an acquaintance convinced her to sell some \$90,000 worth of a stock mutual fund and subsequently swindled the funds. The victim failed to file a tax return for the money the stock sale generated, so the IRS filed a substitute return on her behalf resulting in a burden of debt approaching \$40,000. The victim had no income at the time, and although she worked with a tax professional to resolve this debt, the monthly payments quickly overwhelmed her and she turned to TAS.

The TAS case advocate began a lengthy search for evidence that would wind through local court records, financial advisors' files, and even the rubble of the World Trade Center in New York, city, where some of the woman's financial records had been destroyed in the 9-11 attack. Eventually the case advocate gathered all information necessary to prepare an original return and send it to the victim for her signature. With that information in hand, TAS then successfully negotiated with the IRS to reverse all previous penalty assessments relating to the "substitute" return and stock sale.

"I felt so badly for her, "the TAS case advocate recalled, "to have been the victim of a crime and then have to pay tax on top of that." It was just another work day...but a day that the advocate felt gratified to have been able to help someone who so clearly needed it.

### **TAS Intervention Allows Debt-Ridden Landlord to Provide Tenants with Necessities**

When a financially troubled landlord's rents were levied, he was left without means to maintain his building for his tenants. TAS stepped in on his behalf, arguing that the levy prohibited the landlord from providing tenants with heat, electricity and safety. The case advocate was able to obtain a partial levy release, allowing the landlord to provide a safe environment for his tenants to live in until the building was sold.

### **TAS Case Advocate Helps Taxpayer Maintain Residence**

A self-employed woman turned to TAS after exhausting every other option for resolving her tax problems. While her past high-income status had qualified her for high tax liabilities, her financial situation had deteriorated such that she could no longer pay her high taxes. After the IRS rejected her request for an offer in compromise (partial payment of her tax debt), she risked losing her home.

When she contacted TAS, the case advocate helped her understand why her partial payment offer was rejected. TAS worked to process a new offer in compromise that accurately reflected her earning potential. The offer was accepted and the taxpayer was able to keep her home.

### **TAS Uncovers Identity Fraud, Helps Victim Fund Medical Expenses**

A couple, anxiously awaiting a tax refund to pay for their child's medical expenses, became concerned when the refund was significantly delayed. When they contacted the IRS, they were told to wait 180 days. When this time passed and the refund had not yet arrived, they contacted TAS for assistance.

Their TAS case advocate discovered the refund was delayed because the couple was a victim of fraud. A resident of another state had used the husband's social security number on a fraudulent tax return. TAS was able to gather enough information to convince the IRS the return filed by the couple was valid. They received their refund and were able to pay off their son's medical bills.